

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

MOTOR FIRE APPARATUS
INDUSTRY

AS SUBMITTED ON AUGUST 29, 1933



The Code for the Motor Fire Apparatus Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are*
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry

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dent in his discretion deems necessary to effectuate the policy declared in said Act.

(4) That the employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(5) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing; or assisting a labor organization of his own choosing.

(6) That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

(7) That it is clearly understood that nothing in this Code shall impair in any particular the Constitutional rights of the employer to protect his business and property from the unlawful activities of others.

(8) Nothing in this Code is to impair the Constitutional rights of employers to freedom in the selection, retention, and advancement of employees.

(9) That the President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the National Industrial Recovery Act.

TITLE 3—THE MOTOR FIRE APPARATUS MANUFACTURERS ASSOCIATION

5. From the date of the approval of this Code by the President The Constitution and Bylaws of said Association shall be in the form hereto attached as Schedule II, and the parties to this Code who are members of said Association agree to take all action necessary to make said Constitution and Bylaws effective in the form of Schedule II immediately upon the approval of this Code by the President.

6. The Association is hereby constituted the agency for collecting statistical data as to costs, production, sales and all other matters affecting the industry as to which the Government may require information and the manufacturers engaged in the industry shall furnish such information and make such reports to the Association as may be necessary in order to enable the Association to collect and furnish to the Government the information required under the terms of the National Industrial Recovery Act. The manufacturers shall keep their accounts in such form as may be necessary to enable them to furnish information desired by the Government.

TITLE 4—PROTECTION OF EMPLOYEES AND OF THE PUBLIC INTEREST

7. The Association, acting through its Board of Directors, and/or agents duly appointed, shall proceed with due diligence to gather from members of the industry information as to cost of production, accounting systems, wages, working hours and other relevant data for the purpose of preparing and submitting to the President for approval an

agreement between members of the industry which will adequately protect employees, consumers, competitors, members of the trade, and others, in furtherance of the public interest as contemplated by Title I, Section 4, of the National Industrial Recovery Act.

A. *Wages*.—(1) Not to pay any factory or mechanical worker or artisan less than 43 cents per hour in cities having 500,000 population or over, and 41½ cents per hour in cities having 250,000 and less than 500,000. And 40 cents per hour in cities or towns having less than 250,000 population.

(2) Not to pay any accounting, clerical office, service, or sales employee less than \$15.00 per week in any city of over 500,000 population, or in the immediate trade area of such city; nor less than \$14.50 per week in any city of between 250,000 and 500,000 population, or in the immediate trade area of such city; nor less than \$14.00 per week in any city of between 2,500 and 250,000 population, or in the immediate trade area of such city; and in towns of less than 2,500 population to increase all wages by not less than 20 percent, provided that this shall not require wages in excess of \$12.00 per week.

(3) In the respective localities above mentioned no male or female factory employee over 16 and less than 21 years of age shall receive not in excess of 5 cents per hour less than the rates prescribed in paragraph (1). In the event any manufacturer were paying less than the foregoing hourly rates on July 15, 1929, such latter rates shall apply except, that in no event shall the rate be less than 30 cents per hour.

(4) No manufacturer shall pay superannuated employees and/or pensioners a rate in excess of 70% of the rates prescribed in paragraph (1) and in no case shall this class of employee at any time constitute more than 10% of the total number of employees.

(5) No manufacturer shall employ any person under 16 years of age.

B. *Hours of Labor*.—(1) No manufacturer shall employ any factory or mechanical worker or artisan more than a maximum week of 35 hours.

(2) No manufacturer shall employ any accounting, clerical, office, service, or sales employees, except outside salesmen and employees in a managerial or executive capacity, who now receive more than \$35.00 per week more than a maximum week of 40 hours.

(3) No manufacturer shall be required to change its present hours of labor of engineers, firemen, watchmen, maintenance men, and janitors.

TITLE 5—CODE OF ETHICS

8. The Code of Ethics attached hereto as Schedule III shall constitute a Code of Ethics for the Motor Fire Apparatus Industry. The parties hereto agree that they will not engage in any practice condemned or prohibited in said Code of Ethics or therein designated as an unfair trade practice. The Code of Ethics shall constitute an integral part of this Code of Fair Competition.

9. Subject to rules and regulations made by the President, this Code of Ethics may be amended, repealed, or altered in whole or in part, by a majority of the votes of any meeting of the Association at which a quorum is present, provided the proposed change is sub-

mitted by mail to the last recorded address of each member at least thirty (30) days before the time of the meeting which is to consider the change.

TITLE 6—MERCHANTISING PLAN

10. The parties hereto establish a uniform Merchandising Plan for the members of the industry, in the form hereto attached as Schedule IV, and they agree that the said Plan incorporates the merchandising policies best calculated to promote fair competition in the industry. The said parties further agree to adhere to the provisions of the said Merchandising Plan in marketing all products which are subject to the terms of this Code as defined in Schedule I.

11. Subject to rules and regulations made by the President of the United States and in order to meet changing conditions the industry Merchandising Plan hereto attached as Schedule IV may be amended, repealed, or altered, in whole or in part, by a majority of the votes of any meeting of the Association at which a quorum is present, provided the proposed change is submitted by mail to the last recorded address of each member at least thirty (30) days before the time of the meeting which is to consider the change.

TITLE 7—PUBLICITY OF PRICES

12. When this Code has been approved by the President, every manufacturer who is subject to the provisions of the Code shall forthwith file in the office of the Secretary of the Association for immediate distribution to all said manufacturers a complete schedule of his prices and terms of sale then in effect on all motor fire apparatus as defined in Schedule I. These prices shall be furnished by each member in sufficient quantities to distribute to all members of the Association within ten (10) days after the approval of the President.

13. All such price lists shall be open to inspection at the office of the Secretary of the Association by all members of the Association. Upon the request of any nonmember of the Association for information as to prices or terms of sale applicable to any member of the Association, the Secretary shall furnish copies of such relevant price lists to such applicant. The charge therefor, if any, made by the Association shall not exceed the actual cost of copies furnished and postage.

14. The fundamental purpose of the publicity requirements of this Code is to insure complete publicity of prices and all terms of sale of manufacturers, and the parties hereto agree that they will not sell at any time or to any person, except upon terms then published and in effect. The parties hereto shall have the right individually to publish new price lists and terms of sale from time to time not inconsistent with the provision of this Code.

15. In the event of any manufacturer desiring to make a change in price or other terms of sale, he shall give the Secretary thirty (30) days notice of such change which shall immediately be sent by the Secretary to all other manufacturers of the industry. Other manufacturers shall have the right to change their prices, change to become effective at same time as first applicant.

16. The price publicity herein prescribed shall apply to prices and other terms of sale of all products described in Schedule I hereto attached.

TITLE 8—ENFORCEMENT OF THE CODE

17. The Board of Directors of the Association shall designate an agent or agents to investigate complaints of violations of this Code. The members of the Association shall facilitate such investigations by opening their correspondence, books, and accounts for examination by the authorized representatives of the Association and by furnishing relevant information. In the event of any willful violation being disclosed the Board of Directors may present evidence thereof to the proper department, agency, or judicial branch of the Government.

The foregoing Code of Fair Competition has been agreed to and adopted by the members of the Motor Fire Apparatus Association.

MOTOR FIRE APPARATUS MANUFACTURERS ASSOCIATION,
By: CHARLES H. FOX, *President.*

SCHEDULE I

MOTOR FIRE APPARATUS MANUFACTURERS ASSOCIATION

Motor fire apparatus is defined for the purpose of the Code of Fair Competition to include the following products:

1. Pumping engines, aerial trucks, water towers, hook and ladder trucks, service trucks, chemical engines, hose cars, salvage cars, squad cars, all other motor-propelled vehicles and equipment for same used for fire-protection purposes, and service parts for same.

2. The application of the Code of Fair Competition to the products enumerated in this schedule shall be defined as follows:

(a) Nothing contained in this Code of Fair Competition shall be construed as prohibiting any member of the industry from exercising all its and/or their lawful patent rights or as requiring any member of the industry to do any act in conflict with the terms of a patent licensing agreement legally binding upon such member.

(b) The products listed in paragraph 1 shall be subject to all the provisions of the Code of Fair Competition and schedules except as limited by subparagraph (a) hereof.

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SCHEDULE III

CODE OF ETHICS OF THE MOTOR FIRE APPARATUS INDUSTRY

1. EMPLOYERS

(a) *Enticing employees from competitors.*—Maliciously enticing an employee or employees of competitors with the intent of unduly hampering, injuring, or embarrassing a competitor or competitors in the conduct of their business is an unfair trade practice.

2. MERCHANTISE

(a) *Misrepresentation.*—Misrepresentation as to the quality, weight, or performance of any product sold or offered for sale by any manufacturer is an unfair trade practice.

(b) *Demonstrators.*—No manufacturer shall reduce the price of a new apparatus under the guise that it is a demonstrator.

1. All demonstrators now in stock at branches or factory or in the hands of salesmen shall be registered with the Secretary. A proper description listing the capacity, type, and serial or factory number shall be given. The Secretary shall provide the members with the list in question.

2. Repossessed new and unused cars shall also be registered with the Secretary showing from what city repossessed.

3. When such apparatus is sold the Secretary shall be notified to whom sold and at what price.

4. No further apparatus shall be built for demonstrations.

5. Demonstrations at the factory or established branches shall not come within the meaning of the above paragraph.

6. New show cars must be sold at the manufacturer's established prices for new cars.

(c) *Obsolete goods.*—The Board of Directors shall appoint a committee to consider the manner of disposing of any goods coming under this heading upon request by any member of the Association.

3. INVOICING

(a) *Fictitious Invoices.*—Fictitious invoicing of merchandise is an unfair trade practice. No manufacturer shall invoice any customers for products other than those actually shipped against the invoice, nor at a price other than that which shall be paid by the customer. One intent of this paragraph is to prevent rebating.

(b) *Omission of Data.*—Any items pertaining to the sale omitted from the invoice shall be considered an unfair trade practice.

(c) *Unauthorized Deductions.*—Permitting a customer to make any deductions from the invoice not covered by the terms of sale in making his remittance shall be considered an unfair trade practice.

(d) *Interest Allowance.*—No manufacturer shall waive interest on delayed cash payments or allow a period of grace between date of acceptance and date interest begins on deferred payments.

(e) *Free Goods or Extras.*—No manufacturer shall ship or in any way deliver free goods of any kind to any customer. This does not refer to replacements due to defective material or inferior workmanship.

(f) *Subnormal Prices.*—No manufacturer shall subnormally price any products manufactured and/or sold by him, whether or not included under the Motor Fire Apparatus Merchandising Plan, for the purpose of influencing the sale of Motor Fire Apparatus.

4. ADVERTISING

(a) *Misrepresentation.*—Advertisements, statements, or inferences which directly or indirectly reflect falsely upon the merchandise, policies, or financial standing of any competitor or which are detrimental to the best interests and welfare of the industry are unfair trade practices.

5. SUBSIDIES

(a) *Lavish Entertainment.*—Manufacturers shall not encourage nor permit lavish entertainment of a customer by their employees.

(b) *Excessive Allowance and Adjustments.*—No manufacturer shall make any allowance to a customer for alleged defective merchandise, alleged shortages, or for adjusting alleged complaints of any kind.

(c) *Granting Excessive Credit.*—Manufacturers shall not offer or extend to customers unusual volume of credit as an inducement to place business with manufacturers. Manufacturers shall charge and collect not less than 6% interest, except in those States where the legal interest rate is less than 6%, and in such States the legal rate shall apply.

(d) *Extended Terms.*—No manufacturer shall grant a customer terms of an extended nature other than those regularly published by the manufacturer.

6. CUTTHROAT COMPETITION

Selling goods below manufacturers own cost, including distribution and general administrative cost, is an unfair trade practice.

7. SUNDRIES

(a) *Breaking Contracts.*—The inducing or assisting of breaking a contract or setting aside of an official award is considered an unfair trade practice.

(b) *Trade-Ins.*—No trade-in allowance shall be made in excess of the standard set by the Association based on the age and type of equipment. Old apparatus taken in trade must be removed from customers' premises. In event of resale to same customer, it shall not be sold at less than the amount allowed on purchase of new equipment.

(c) *Uniform Cost Basis.*—Members of the Industry shall use a uniform cost accounting system to be drawn up by the Association; such system to be adapted to the various classifications of the Industry.

(d) *General.*—No practice or subterfuge contrary to the spirit of this Code of Ethics or to the Merchandising Plan shall be indulged in by any employee of any manufacturer.

SCHEDULE IV

MERCHANDISING PLAN OF THE MOTOR FIRE APPARATUS MANUFACTURERS ASSOCIATION

A. Products.—The following products are subject to all of the provisions of this Merchandising Plan:

1. All pumping engines.
2. All types of chemical cars.
3. All types of hook and ladder trucks.
4. All types of aerial trucks.
5. All types of water towers.
6. All types of hose and squad cars.
7. All types of service trucks.

8. All other types of motor-propelled vehicles used for fire-protection service.

B. Territory.—This Merchandising Plan applies on sales for shipment from manufacturers' factories, warehouses and branches into all territory within the United States.

C. Classes of Buyers.—The following are the principal classes of buyers in this industry:

1. Municipalities.
2. Volunteer fire companies.
3. Industrial concerns.
4. City, State, and County Governments and political subdivisions of same.
5. U.S. Government.

D. Prices.—Prices shall be established as determined individually by each manufacturer.

E. Terms.—Terms shall be as determined individually by each manufacturer. However, the down payment in each case shall be not less than $33\frac{1}{3}\%$ of the purchase price and deferred payments shall not extend beyond a period of two years.

F. Discounts.—1. Quantity Discounts:

The maximum for quantity discounts shall be as follows: 2% for 2 pieces, 3% for 3 pieces, 4% for 4 pieces, 5% for 5 pieces, 6% for 6 pieces, 7% for 7 pieces, 8% for 8 pieces, 9% for 9 pieces, 10% for 10 or more pieces.

2. Cash Discounts:

A maximum discount of 5% may be allowed for cash sales, providing payment is made within thirty days from date of invoice.

G. Standard equipment specification.—The Board of Directors shall appoint a committee for the purpose of recommending what constitutes standard equipment. These recommendations will then be presented to the members of the association for approval and adoption.

H. Order and contract forms.—The Board of Directors shall appoint a committee for the purpose of drafting standard contract forms which will be presented to the members of the association for approval and adoption.

Uniform contract forms shall be used by each manufacturer in the industry.



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